

§ 1421.400

7 CFR Ch. XIV (1-1-06 Edition)

§ 1421.400 Applicability and abbreviations.

(a) This subpart sets forth the terms and conditions under which an entity which is a marketing association of peanut producers, or a subsidiary of such an entity, may qualify to become an eligible “designated marketing association” or “DMA” qualified to process peanut marketing assistance loans and peanut loan deficiency payments for peanut producers. This subpart only applies with respect to peanut loans and peanut loan deficiency payments. This subpart also specifies when storage credit will begin with respect to peanuts under loans handled by designated marketing associations.

(b) In addition to other abbreviations that may be used, the following abbreviations apply to this subpart:

(1) *CCC* means the Commodity Credit Corporation.

(2) *CMA* means cooperative marketing associations which are the subject of regulations in part 1425 of this chapter.

(3) *DMA* means designated marketing associations.

(4) *EWR* means electronic warehouse receipts.

(5) *FSA* means the Farm Service Agency of the U.S. Department of Agriculture.

(6) *LDP* means loan deficiency payments as provided for in this part.

(7) *MAL* means marketing assistance loans as provided in this part.

§ 1421.401 Definitions.

The definitions set forth in this section shall apply for purposes of program administration under this subpart. The terms defined in this part, in part 718 of this title, and in parts 1425 and 1427 of this chapter shall also be applicable, except where those definitions conflict with the definitions in this section.

Administrative County Office is the FSA County Office where a producer’s FSA records are maintained.

Control or Recording FSA County Office is the FSA County Office that controls subsidiary files for producers designated as multi-county producers.

Current net worth ratio means current assets minus current liabilities, divided by current liabilities, based on

the financial statement provided in connection with a DMA application or a recertification for DMA status.

DMA Service County Office is an FSA County Office designated by CCC to accept, process, and disburse bundled peanut MAL’s and LDP’s to a DMA. In the absence of a centralized MAL and LDP processing system for peanuts, a service county FSA office is necessary for entering MAL’s and LDP’s made by DMA’s into CCC accounting systems.

Drawdown account is an account titled to the DMA at a financial institution and funded at the discretion of CCC for the purpose of allowing the DMA to advance funds to producers who have applied for MAL’s and LDP’s before a subsequent MAL or LDP is made to the DMA by an assigned FSA county office.

Electronic warehouse receipt or EWR means a receipt electronically filed in a central filing system by an approved provider as provided in an executed, “Farm Service Agency Provider Agreement to Electronically File and Maintain Warehouse Receipts.”

Security means a certified or cashier’s check payable to CCC, an irrevocable commercial letter of credit in a form acceptable to CCC, a performance or surety bond conditioned on the DMA fully discharging all of its obligations under this part, or other form of security as CCC may deem appropriate.

§ 1421.402 DMA responsibilities.

(a) DMA’s are eligible to process the marketing loans and loan deficiency payments provided for in this part only for peanut producers and only if the DMA and the producers and peanuts meet all eligibility criteria set out in this part, including, but not limited to, the DMA eligibility provisions of this subpart. In carrying out those functions, DMA’s must:

(1) Prepare and execute the appropriate CCC peanut MAL and LDP application documents;

(2) Determine whether producers and the commodity are eligible for MAL’s and LDP’s, including whether the otherwise eligible peanuts are free and clear of all liens which DMA’s shall determine by performing lien searches at DMA’s expense;